



INTERNAL AUDIT SUBSTANTIVE TESTING CIVIC CENTER

June 2, 2003

Roanoke City Council Audit Committee
Roanoke, Virginia

We have audited the Civic Center in accordance with generally accepted government auditing standards.

BACKGROUND

The Roanoke Civic Center has been in operation since March of 1971. The Civic Center is a multi-purpose facility consisting of a coliseum, theater, and exhibit hall. The purpose of the Civic Center is to provide a facility to promote leisure time activities, conventions, and trade shows. Additionally, the facility is to enhance the entertainment, sports, cultural, industrial and commercial aspect of community life within the Roanoke Valley. The Civic Center has the stated objective to position itself as a leading facility for national, regional and state conventions, expositions and trade shows, concerts, family shows, major sporting events, Broadway shows, symphonies, and ballets.

During fiscal year 2002, the Civic Center generated approximately \$3,208,000 in operating revenues and \$4,539,000 in operating expenses. Of these expenses, approximately \$1,995,000 related to personnel expenses and approximately \$1,082,000 related to materials and supplies. The Civic Center had net assets of \$11,888,332 as of June 30, 2002, including approximately \$5,580,000 in cash and cash equivalents.

In November of 2000, the Civic Center purchased several modules of the Event Business Management System (EBMS) from Ungerboeck Systems, Inc. At its maximum potential, EBMS is an integrated enterprise management system that covers all aspects of the meeting and assembly industry. The system can also be purchased in a number of individual modules to flexibly satisfy individual customer needs, as was done by the Civic Center. To date, the Civic Center has spent approximately \$96,073 for the EBMS system license, maintenance, and support. Additionally, approximately \$7,067 has been spent with the vendor on additional training and consulting.

The EBMS system was purchased in accordance with the Civic Center's strategic plan which noted the importance of a computerized management system. The plan noted that efficiency at the Civic Center has suffered partially due to the lack of availability of information such as demographics, attendance, per caps on food & beverage and novelties, and financial data. The EBMS system was a canned software package designed specifically for the Event industry that would alleviate the information insufficiencies at the Civic Center.

PURPOSE

The purpose of this audit was to:

- Determine the current status of the EBMS implementation.
- Evaluate the adequacy of controls to ensure that the EBMS implementation is effective and timely.

SCOPE

The audit focused on controls, procedures, and systems in place as of January 31, 2003. Audit work was limited to the EBMS system at the Civic Center.

METHODOLOGY

We gained an understanding of the EBMS system through interviews with Civic Center and Department of Technology employees. Additionally, we determined the progress made by the Civic Center in the implementation of EBMS. We identified significant implementation controls from the Information Systems Audit and Control Foundation's COBIT framework. We then compared the implementation of EBMS to the COBIT framework to identify areas of improvement.

RESULTS

The Civic Center has successfully implemented the event management and event booking modules of EBMS. The event booking module allows the Civic Center to coordinate scheduling of future events. Using the EBMS event management module, the Civic Center develops detailed event plans that describe the work that must be done to satisfy promoter requirements. This portion of the system also creates the service orders which coordinate the actual work done by the staff to prepare for events. Additionally, the system maintains a historical record of detailed event management and booking information. This event history gives the Civic Center better information for future events, which also leads to better customer service for the event promoters. The Civic Center is currently implementing the accounting module. The Civic Center has developed a partial interface between the tickets.com system and EBMS to upload ticket sales information to EBMS.

Finding 01 – EBMS Implementation

Major systems implementations require that sufficient planning be invested into the project to ensure that the implementation will be a success. The EBMS implementation did not incorporate the level of planning required to smoothly implement the system. Prior to implementation, a project management framework was not developed to guide the project. A project manager or project team containing members from the user group as well as the Department of Technology was not appointed to oversee the implementation and migration to the new system. Other significant implementation controls such as identifying key tasks, allocation of responsibilities, developing milestones and checkpoints, and budgeting time and resources were not developed. As a result, EBMS has not been fully implemented. Certain modules are being used

extensively, yet others are not consistently used, or not used at all. The accounting module is in the process of being implemented, however, many accounting processes, including event settlement, are still conducted manually. The ability to move away from the manual accounting process was a key impetus noted in the Civic Center's strategic plan for obtaining the system. The strategic plan also noted that the system would address inventory control issues at the Civic Center. The inventory control features of the system, however, remain unimplemented. The system also has an unimplemented facilities management module. This module would provide inventory management for physical equipment and allow maintenance to be scheduled for the equipment and facility. Finally, any systems development should ensure that adequate training materials are developed and refreshed as necessary for implementations or modification projects. Training materials and procedures focusing on the daily use of the system have not yet been developed for EBMS.

Agreed Upon Action 01 – EBMS Implementation

Individuals forming a cross functional implementation team have been chosen to complete the EBMS implementation. A project team leader from the Department of Technology has been assigned to the project. The project team will assess who is using the system and how the system is currently being used. The team will assess the usefulness of the individual EBMS modules and prioritize them for implementation. Based on the prioritization of the modules, the team will develop an implementation schedule and phase the modules into the Civic Center's operations. The team will evaluate the business processes at the Civic Center and reengineer the processes, if necessary, to facilitate compatibility with the system. The team will evaluate the training needs for the implementation and utilize the vendor for support if necessary. Practical procedures and training materials will be developed focusing on how the actual users of the system perform their work.

Management Response 01 – EBMS Implementation

Utilizing a team consisting of Civic Center and Technology staff, the primary focus will be on the implementation of the remaining EBMS modules. As a part of the implementation, the team will focus on the integration and development of an interface between EBMS and the City's financial systems. The deployment and use of EBMS, as well as the ability to integrate the two systems, will better enable Civic Center staff to manage events and related tasks with more timely efficiency as well as providing enhanced customer service to event promoters and the public, as well as internal City Departments.

CONCLUSION

EBMS has not been fully implemented. The controls over the implementation process need to be strengthened to ensure that the full benefits and utility of the system are realized.

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